

# PROOF OF CLAIM ATTACHMENT

Version 2.1

Estimates are based on January 26 - 28, 2019, market prices.

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**CASE NUMBER:** 2:2018bk03197

January 28, 2019

Andrea (“Annie”) Sharp



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## **SOME GENERAL INFORMATION**

As a creditor in GigaWatt's Chapter 11 Bankruptcy, I (Andrea Sharp) am including this document with, and as factual support for, the proof of claim I'm submitting to the Eastern District of Washington Bankruptcy Court.

Some notes:

1. Five miners of the 17 miners I bought from GigaWatt were installed for earnings to my GigaWatt account.
2. 12 of the 17 miners I bought were not installed to my account. I don't know if they were installed for credit to an account other than mine.
3. Percentage of tokens rented out for credit to my account went from low to nearly zero around October of 2018 before later going fully to zero.
4. BTC earnings started 11/17/2017; earnings of all the other currencies started 12/29/2017.
5. Exact value of total earnings is extremely difficult to calculate because the market price of the coins that produced my micro-earnings changed a lot over the period considered in this bankruptcy. A precise calculation of my earnings would be based on what the value of each micro-earning was on the date/time it was earned.
6. I'd like to add a comment to my answer to Question 9 in the proof of claim form. It's my understanding that it's not yet clear if GigaWatt's debt to people who purchased WTT tokens from them is secured or unsecured debt. It's my understanding that reasons the answer to this question isn't clear include the facts that the WTT tokens fit the SEC's definition of securities, and the debt may be secured by the creditors' 50-year lease with the debtors. With that in mind, since we may find going forward that GigaWatt's debt to me is secured rather than unsecured, I'd like to know if I can respectfully request the right to not permanently define myself as an "unsecured" creditor by submitting this proof of claim. I hope I won't have to continue to have an "unsecured creditor" designation if, at some time in the future, the bankruptcy or any other procedure or lawsuit leads authorities who are overseeing this matter to the conclusion that my debt is secured, not unsecured.

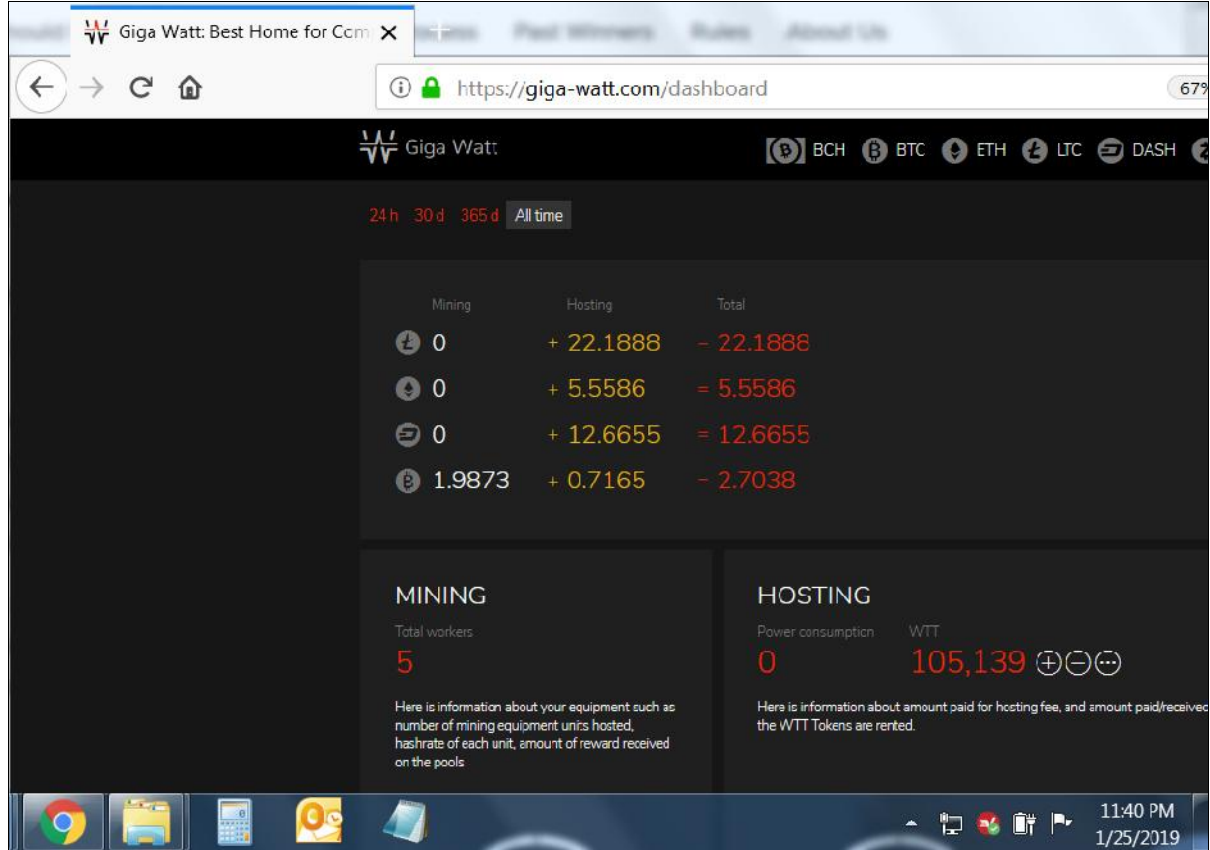
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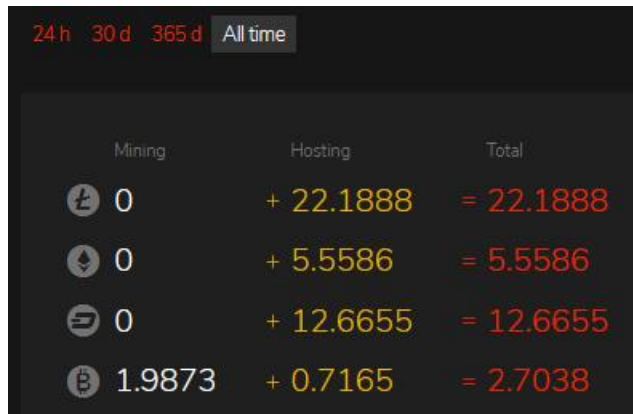
Debtor: GigaWatt

Creditor: Andrea Sharp

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**Screenshot 1. Dashboard of my GigaWatt Account in January, 2019, shows All Time earnings, the five (of 17) installed miners, and all of my WTT tokens.**



**Screenshot 2. Close-Up of All-Time Earnings to January, 2019. (BTC Earnings from November 17, 2017; Other Coins' Earnings from December 29, 2017.)**

## PRINCIPAL AMOUNT DUE

The total principal amount due is 137,969.98 USD. This doesn't include additional charges that are also due and listed below in the "Additional Amounts Due" section starting on page 15.

The principal amount of 137,969.98 USD was determined by

1. adding the cost of 105,139 WTT tokens to
2. the cost of 17 miners and
3. subtracting from that sum an estimated earnings amount of 11,995 USD which is the current USD value of the crypto generated by some of the tokens and five of my 17 miners and
4. adding 10% interest to the remainder.

See Table I.

QTY	ITEM	USD AMOUNT
105,139	WTT Tokens	111,945
17	Miners	34,808
	<b>Subtotal</b>	146,752.85
See Table 5 on page 14	Minus Estimated USD Earnings (current market)	-11,995.06
	<b>Subtotal</b>	134,757.94
	(Source: <a href="http://ijcalc.sdcourt.ca.gov/">http://ijcalc.sdcourt.ca.gov/</a> ) 10 % Interest from Nov 1, 2018, to Jan 27, 2019	3,212.04
	<b>TOTAL OF PRINCIPAL AMOUNT DUE</b>	<b>137,969.98</b>

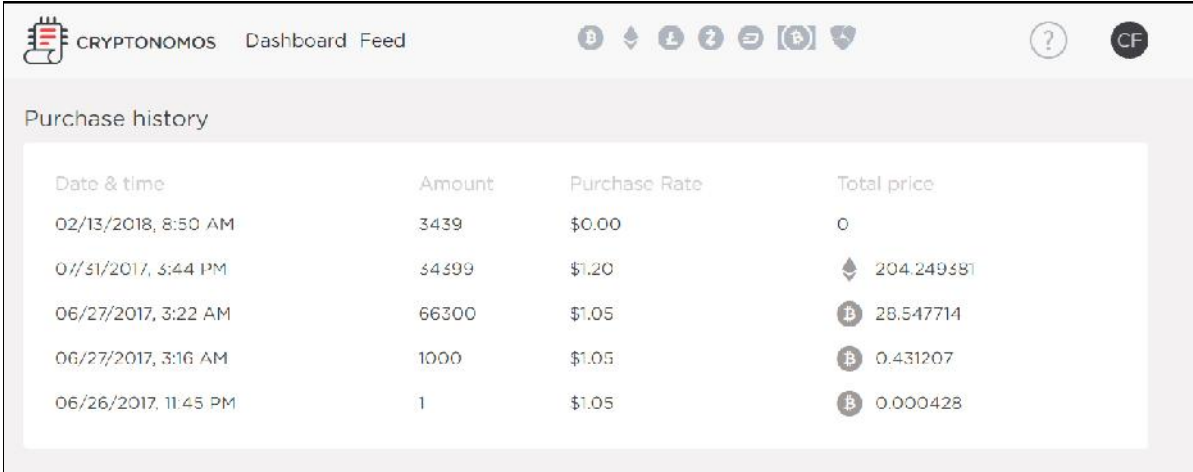
**Table I. Principal Amount Due as of January 26, 2019, is 137,969.98 USD**

## TOKENS – COST 111,945 USD

Total number of tokens purchased: 101,700  
 Total number of tokens from bonus: 3,439  
 Total cost of my WTT tokens: 111,945 USD  
 Average price paid per WTT token: 1.10 USD  
 Average price including bonus tokens: 1.065 USD  
 Price of WTT on January 27, 2019: .015 US cents  
 Amount of decrease: 98.6% (See Table 7 on page 25,)  
 24-hour trade volume is in the 100s: See [https://www.coingecko.com/en/price\\_charts/giga-watt-token/usd](https://www.coingecko.com/en/price_charts/giga-watt-token/usd)

I purchased all tokens from GigaWatt in the GigaWatt ICO. I didn't purchase any on the open market.

Screenshot 3 and Table 2 on page 4 show the dates I purchased the tokens and the amount I paid.



Date & time	Amount	Purchase Rate	Total price
02/13/2018, 8:50 AM	3439	\$0.00	0
07/31/2017, 3:44 PM	34399	\$1.20	204.249681
06/27/2017, 3:22 AM	66300	\$1.05	28.547714
06/27/2017, 3:16 AM	1000	\$1.05	0.431207
06/26/2017, 11:45 PM	1	\$1.05	0.000428

**Screenshot 3. Token Purchase Dates and Prices Listed in my Cryptonomos Account**

Date & Time	Amount	\$ Purchase Rate	Total Price USD
02/13/2018 8:50 AM	3439	0	0
07/31/2017 3:44 PM	34399	1.20	41,278.8
06/27/2017 3:22 AM	66300	1.05	69,615
06/27/2017 3:16 AM	1000	1.05	1,050
06/26/2017 11:45 PM	1	1.05	1.05
			TOTAL: 111,944.85

**Table 2. WTT Token Purchase Dates, USD Prices**

Screenshot 4 on page 5 shows the tokens I purchased as they were listed by Cryptonomos on my Cryptonomos dashboard.

Screenshot 5 on page 6 shows them in my GigaWatt account after I transferred them all to GigaWatt from Cryptonomos.

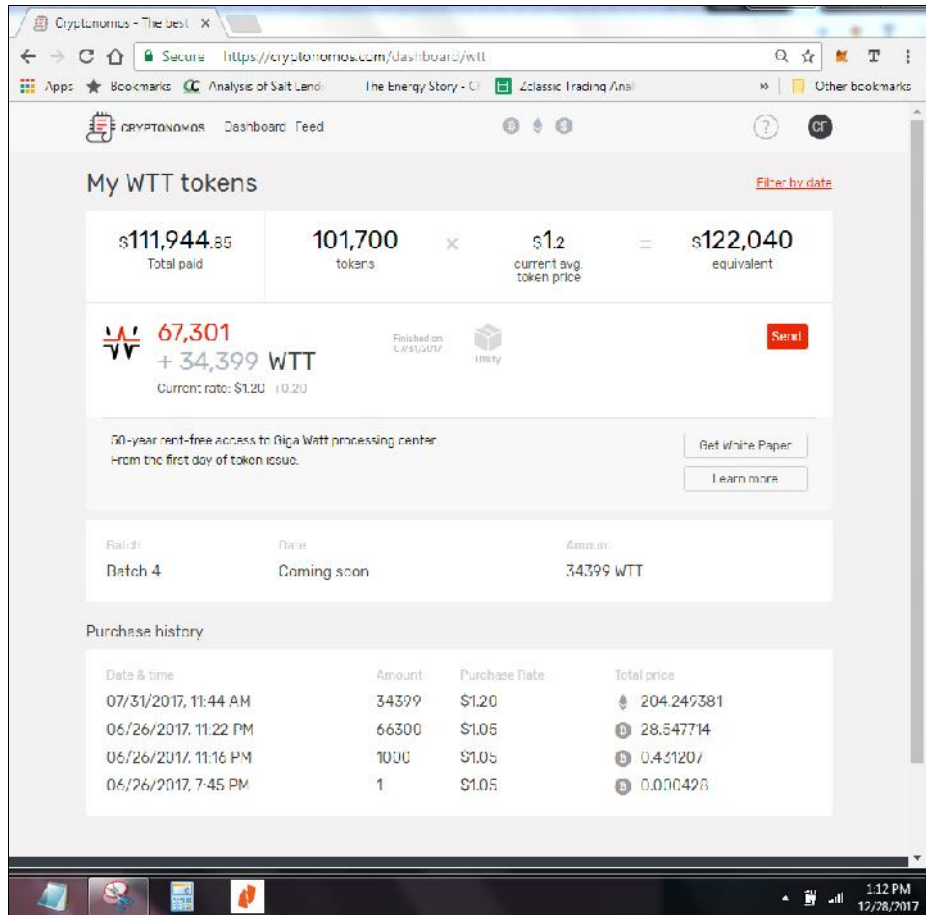
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**Screenshot 4. ICO Token Purchases Through Cryptonomos**

The page shown in Screenshot 4 refers to GigaWatt’s deal with token purchasers that the purchase shown on the same page includes “50-year rent-free access to GigaWatt processing center. From the first day of token issue.”



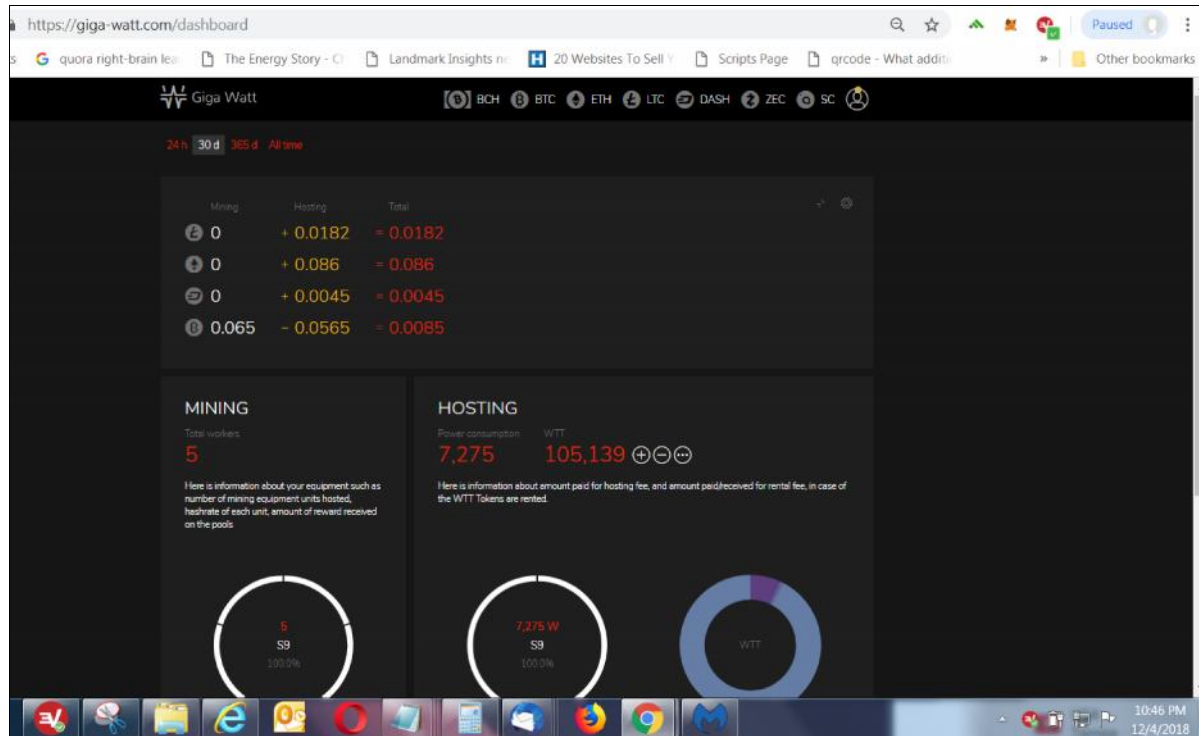
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**Screenshot 5. GigaWatt Dashboard – 7,275 of 105,139 Tokens Rented for Five Miners**

Screenshot 5 also shows my 105,139 tokens, and that 7,275 of them were used for rental fees to GigaWatt for GigaWatt’s hosting of my five miners.

## A Promised 10-Percent Token Bonus Was 3.38 Percent

To apologize for missing the first construction and deployment deadlines, GigaWatt announced on December 9, 2017, that they’d be issuing a token bonus of 10%. Their message said, “We’d like to offer you a bit of a bonus for this delay - we will issue you 10% additional tokens as gratitude for your continued patience.”

At that time, I owned 101,700 tokens. A bonus of 10% would have added 10,170 to the number of tokens I owned, for a total of 111,868.9 tokens.

But what I received were 3439 additional tokens. That’s 3.38% of 101,700, not 10%. Screenshot 6 and Table 2 on page 4 show I purchased all my tokens before August 1, 2017. The bonus was credited to my account on February 13, 2018. So Screenshot 7 and Table 2 on page 4 also show that the 10% was based only on the 34,399 tokens I bought on July 31, 2017, and didn’t include any of the tokens I bought before that.

I didn’t complain about what appears to be an error. But I did write a message to GigaWatt about a different related problem that said, “My ten percent bonus was credited to my Cryptonomos account. Then it was removed. Was this intentional? If so, can you please

explain?" I don't find a reply from Cryptonomos or GigaWatt to my question. Maybe they credited me with 10%, then removed it, and then just replaced part of it.

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## **MINERS – COST 34,808 USD**

See Table 3 for a list of the quantity of miners I purchased, the model names, the purchase dates, and the cost.

See Table 4 for the dates five of them were deployed for credit to my account.

Receipts and payment confirmations for my 17 miners are shown in Screenshot 6, Screenshot 7, Screenshot 8, Screenshot 9, and Screenshot 10.

Qty	Model	Date Purchased	USD Cost (including sales tax)
5	Antminer S9s	June 28, 2017	8,010
10	Antminer S9s	November 23, 2017	20,200
2	Alpha 200s	December 1, 2017	6,598
<b>Total cost of 17 miners: 34,808</b>			

**Table 3. Miner Models, Purchase Dates, and Cost**

I purchased 17 miners. Five were put into operation for earnings to my account on November 17, 2017. Twelve have not been put into operation for earnings to my account; I don't know if they were put into operation for earnings to an account other than mine.

See Table 4.

Qty	Model	Date Purchased	Date of Deployment
5	Antminer S9s	June 28, 2017	November 17, 2017
10	Antminer S9s	November 23, 2017	Not done so far. First planned deployment date was over a year ago.
2	Alpha 200s	December 1, 2017	Not done so far. First planned deployment date was over a year ago.

**Table 4. Miners Purchased, Date Purchased, and Date Deployed Unless Not Deployed**

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I also paid fees to GigaWatt for hosting the five of my 17 miners that they did put into operation for my account. The total cost of fees from November 17, 2017, to December 20, 2018, is -0.42337418 BTC. The USD price of BTC ranged during that time from over 19,000 USD to about 3,200 USD. The amount of these fees was deducted from the BTC earnings discussed in this document.

FiveMiners\_SoldToAndreaSharpakaClementine49on20170628.txt  
On Wed, Jun 28, 2017 at 2:13 PM, <no-reply@giga-watt.com>  
wrote:

Name: Andrea Sharp

Phone: +6194666965

Email: Clementine49@

WTT holder: YES

ID	Title	Count	Price	Amount
1	T9	0	1323USD	0USD
3	L3+	0	51LTC	0LTC
8	S9	5	1602USD	8010USD
10	PandaMiner B3 Plus	0	2928USD	0USD
Total:				8010USD 0LTC

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Customer Support

Giga Watt, Inc.

www.giga-watt.com

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Page 1

**Screenshot 6. Receipt For First Five S9 Antminers**

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Creditor: Andrea Sharp

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Checkout - GigaWatt Min X

Secure | [https://www.gigawatt.sg/checkout/order-received/5553?key=wc\\_order\\_5a176405ed33f](https://www.gigawatt.sg/checkout/order-received/5553?key=wc_order_5a176405ed33f)

Apps | Bookmarks | Analysis of Salt Lendi | The Energy Story - C | Zclassic Trading Anal | Other bo

HOME / CHECKOUT / ORDER RECEIVED

Thank you. Your order has been received.

ORDER NUMBER: 5011	DATE: November 24, 2017	TOTAL: \$20,200.00	PAYMENT METHOD: Bitcoin   Litecoin
-----------------------	----------------------------	-----------------------	---------------------------------------

### Cryptocurrency - Bitcoin Payment Details

Your order total: 2.51735981 BTC  
 Amount received: 0.00000000 BTC  
 Payment address: 1 [REDACTED]  
 Amount missing: 2.51735981 BTC

Note:  
 I already own five Antminer S9s, and my user name for the account for those five is the same email address that I'm using for this purchase of ten additional Antminer S9s. THANK YOU ALL VERY VERY VERY MUCH. I am very grateful for this opportunity.

Product	Total
Antminer S9 13.5 TH/s - PSU Included Batch 6 January x 10	\$20,200.00
Subtotal:	\$20,200.00
Payment method:	Bitcoin   Litecoin
Total:	\$20,200.00 (includes \$0.00 Tax)

4:37 PM  
11/23/2017

**Screenshot 7. Receipt for Ten More S9 Antminers**

20171124\_TenAntminerS9purchasecorrespondence.txt  
On Friday, November 24, 2017 1:00 PM, GigaWatt Sales  
<sales@gigawatt.sg> wrote:

Hi Annie, thanks for the message and the order. We have received your payment and completed the order, you should be getting the receipt.

There was a simple time-out error because you did not pay the full amount of 2.51735981 BTC, only 2.51635981 was received. We have paid the transaction fee for you and compelled the order, thanks again.

Here is your blockchain transaction for your records ---

<https://live.blockcypher.com/btc/address/> [REDACTED]

On Fri, Nov 24, 2017 at 12:46 AM, Clementine49

<clementine49@[REDACTED]

This is regarding order #5011, in which I sent you 2.51635981 BTC for 10 (ten) Antminer S9s.

You informed me that the order expired.

However, you didn't return the 2.51635981 BTC to me, which you did receive (see previous messages, copies of which are included below).

Please promptly refund the BTC that I sent you today, and which you received, for the 10 Antminer S9s.

The send-to address that you should use is:

1 [REDACTED]

I'd appreciate it if you'd shoot me a quick email to let me know when this is done.

Thank you very much!

Page 1

**Screenshot 8. Receipt for Same Ten S9 Antminers**



MINERSRECEIPT\_Alpha200s\_Two.txt

From:  
GigaWatt <sales@gigawatt.sg>

01/29/2018 (10 months ago)

To: clementine49@[REDACTED]

Show details

= Your order details =

=====

ORDER NUMBER: 5326  
December 1, 2017

GigaWatt Alpha 200 - PSU included January Batch Non WTT X 2 =  
\$6,598.00

=====

Subtotal: \$6,598.00

Payment method: Bitcoin | Litecoin

Total: \$6,598.00 (includes \$0.00 Tax)

Cryptocurrency - Bitcoin Payment DetailsYour order total:

0.66411141

BTCAmount received: 0.00000000 BTCPayment address:

1 [REDACTED]

=====

BILLING ADDRESS

Andrea Sharp  
268 Bush Street

Page 1

**Screenshot 9. Receipt for Two Alpha 200s**

MINERSRECEIPT\_S9s\_Alpha200s\_GWconfirmationofpurchase.txt

----- Original Message -----

On Wednesday, February 14, 2018 2:07 AM, Support  
<sales@gigawatt.sg> wrote:

##- Please type your reply above this line -##  
Your request (10512) has been updated. To add additional  
comments, reply to this email.

Shae (Giga Watt, Inc.)

Feb 13, 10:07 PM PST

Hi Andreas,

Thank you for your message.

I do see your orders for 2 Alpha 200 miners as well as 10 S9 miners  
purchased in batch 6 of the hardware sale. All hardware has arrived  
at our facility and is awaiting deployment. Your S9 miners are  
expected to begin deployment phases come March/April once power  
is available.

Thank you,  
Giga Watt, Inc

IMPORTANT: For the fastest service, always reply to the email  
thread of your assigned ticket and make sure the ticket number is  
included in your subject line. Generating additional tickets by starting  
new emails will result in slower service and response times.

Page 1

**Screenshot 10. Receipt for Same Two Alpha 200s and Ten S9s**



## ESTIMATED EARNINGS BASED ON CURRENT MARKET - 11,995.06 USD

<b>ESTIMATED EARNINGS FROM MINING AND TOKEN RENT</b>					
<b>Credited to (or deducted as fees from) my account</b>	<b>Source</b>	<b>When</b>	<b>Amount Earned</b>	<b>Approximate USD price of one coin as of Jan 27, 2019</b>	<b>Approximate USD value of Amount Earned as of Jan 27, 2019</b>
BTC	Mining rewards (5 miners)	11/17/2017 to 01/26/2019	1.98729617 BTC	1 BTC: 3593.07	7140.49
BTC (deducted for GW hosting fees)	GW's miner-hosting fees (5 miners)	11/17/2017 to 01/26/2019	(0.42337418) BTC	1 BTC: 3593.07	(1521.21)
Mining subtotals			1.56392199		5619.28
BTC	WTT-token-rental earnings	12/29/2017 to 01/14/2019	1.1397815 BTC	1 BTC: 3593.07	4095.31
DASH	WTT-token-rental earnings	12/29/2017 to 11/11/2018	12.66544853 DASH	1 DASH: 71.95	911.28
ETH	WTT token-rental earnings	12/29/2017 to 01/25/2019	5.558066356 ETH	1 ETH: 114.96	638.96
LTC	WTT token-rental earnings	Started Dec 29, 2017, slowed Oct 2018, stopped Dec 9, 2018	22.1887288 LTC	1 LTC: 32.91	730.23
(At CoinMarketCap.com's listed USD prices of each coin on Jan 27, 2019) <b>TOTAL</b>					<b>11,995.06</b>

**Table 5. Estimated Earnings as of Late January, 2019 (Also see Screenshot 2 on page 2.)**

The amount of this estimate has been credited toward the debt in the claim made herein.

The value of the currencies shown in Table 5 is based on current market prices. The currencies' value fluctuated a lot during the period assessed in this document. So if calculations were based on earlier prices, they'd probably be higher. This document's calculations of amounts due are also based on current market prices, so the amounts due would also probably be higher if their calculation were based on earlier prices.

## **ADDITIONAL AMOUNTS DUE**

### **AMOUNT DUE FOR UNDELIVERED PRE-PAID SERVICES**

As of January 29, 2019, the estimated value of undelivered services for pre-paid 50-year lease and miner operations is 1,935,083.19 USD.

That's the sum of these two amounts:

Estimated value of Undelivered Pre-Paid 50-Year Lease: 1,883,296.87

Estimated value of Undelivered Miner Earnings: 51,786.32

The following sections explain how these amounts were calculated.

### **METHOD OF CALCULATION – PRE-PAID LEASE (TOKEN PURCHASE) – 1,883,296.87 USD**

Following are the steps I took to estimate earnings due to me for the undelivered 50-year lease with GigaWatt. I paid \$111,945 in advance for this lease by purchasing GigaWatt's utility tokens called WATT (ticker: WTT).

#### **Calculated the length of time left on the 50-year lease.**

- i. 50 years \* 12 Months = 600 months
- ii. Past months of operation (Sept 1, 2017 to December 31, 2018): 16<sup>1</sup>
- iii. 600 months minus 16 months = 584
- iv. **584** = remaining months of pre-paid lease term

#### **Estimated average amount of tokens that would be in operation to be 80%.**

**Calculated average rental rate** based on the average that GigaWatt stated in its white paper would be the earnings range, i.e. 4.2 to 6.45 per kWhr:

$$(4.2+6.45)/2 = \text{average of } \mathbf{5.325} \text{ cents/kWh}$$

<sup>1</sup> Actual number of past months of operation is lower, since no income was generated until November 17, 2017, and income tapered off and essentially stopped around October/November 2018. The September 1 date is based on the first day WTT tokens were issued. The December 31, 2018, date, which extends the earnings period beyond October 2018 when earnings were steady, is for generous benefit-of-the-doubt leeway.

The 4.2 to 6.45 range was stated in the GigaWatt “White Paper,” in graphics on their website, and used in calculators it provided on its website during the ICO.

**Estimated daily income** based on the average of GigaWatt’s stated range, namely 5.325 cents/kW/h:

$$1 \text{ month} = 30 \text{ days} * 24 \text{ hours} * 5.325 \text{ US cents/kW/h} = \mathbf{38.34 \text{ USD}}$$

**Estimated what the income would be for every 1000 WTT I own** if tokens were in operation and earning 5.325 cents/kW/h, 80% of the time, for 584 months:

$$\begin{aligned} 105,139 \text{ tokens} / 1000 \text{ (WTT)} &= 105.139 \\ 105.139 * 38.34 &= 4031.02926 \\ 4031.02926 * 584 &= 2,354,121.08784 \\ 2354121.08784 * 0.8 &= \mathbf{1,883,296.870272} \end{aligned}$$

$$105,139 \text{ tokens} / 1000 \text{ (WTT)} * \$38.34 \text{ USD} * 584 \text{ months} * 0.8 \text{ (80\%)} = 1,883,296.87 \text{ USD.}$$

The above steps show that the value of the 50-year lease, which I paid GigaWatt for by purchasing tokens but is not being delivered, is at least **1,883,296.87 USD** as of January 26, 2019.

This number would be higher if a number closer to 100% for uptime were used rather than 80%.

---

## **METHOD OF CALCULATION – MINERS – 51,786.32 USD AS OF 01/26/19**

Following are the steps I took to estimate earnings due to me as of January 26, 2019, for undelivered benefits from miner operations.

**Determined Amount Actually Earned.** See page 14, “Table 5. Estimated Earnings .” It shows the total of my earnings (minus fees) for the five miners that were deployed for credit to my account for about one year and two months was 1.56392199 BTC <sup>2</sup>. That’s about 5,619.28 USD at the January 26, 2019, price of BTC. (The time period may have been shorter, but to be conservative I’m basing this estimate on the longer period, which results in a lower estimate of per-day earnings.)

**Determined Amount Actually Earned by Each Miner Over One Year, Two Months.** Dividing 5,619.28 by five, we see each miner earned about 1,123.86 USD.

---

<sup>2</sup> The earnings amount used here is based on current crypto prices (January 26, 2019), which are even lower than they were when the coins were earned. So I believe this estimate could be objectively viewed as quite conservative, especially if market prices of the coins these miners produce go up again.

**Estimated Life-Span of Each Miner.** To estimate earnings of 17 properly-functioning miners, I assumed a lifespan of three years and six months per miner.<sup>3</sup> I believe that's realistic, and it also lets us simplify the arithmetic with three combined calculation periods of the same 1-year-plus-2-months length that we're basing actual earnings-information on.

**Determined Miner-Lifespan is 1260 Days.**

One year plus 2 months is 14 months. 14 months of 30 days each is 420 days. So there are 420 days in each of the three periods.

420 times three is 1260. So the total number of days in the 3-year, 6-month lifespan is 1260.

The lifespan estimate I'll use here for each miner is 1260 days.

**Calculated Daily and Monthly Earnings of Each Miner.**

**DAILY: 2.68 USD.** We know each one of the five miners that GigaWatt installed for my account actually earned about 1,123.86 USD in about 420 days. That's about 2.68 USD per day per miner. (Would be higher if based on the higher prices when earnings happened.)

**MONTHLY: 80.40 USD.** Multiplying 2.68 USD by 30 days of a month is 80.40 USD per month per miner.

**Calculated Earnings Over 3 Years, 6 Months.** The following earnings estimate is based on the total number of days of the three 420-day periods combined, which is 1260, and on the total number of months in that period, which is 42.

If my 17 miners were put into operation per the agreement I entered into and paid GigaWatt for, and each earned about 2.68 per day for 1260 days, then:

$$17 * 2.68 * 1260 = 57,405.60 \text{ USD}$$

If my 17 miners were in operation as agreed and paid-for, and each earned about 80.40 per month for 42 months, then:

$$17 * 80.40 * 42 = 57,405.60 \text{ USD}$$

**Subtracted Amount Actually Earned.** Subtracting 5,619.28 USD that was actually earned, we have an estimate of GigaWatt's debt for undelivered paid-for service:

$$57,405.60 \text{ minus } 5,619.28 = \underline{\underline{51,786.32 \text{ USD}^4}}$$

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<sup>3</sup> The 3.5-year lifespan is for a miner in operation 80% of the time starting from November, 2017, as more powerful computers replace older ones.

<sup>4</sup> I believe this estimate is quite a bit lower than what the miners' earnings would actually be because 1) it's based

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### **Lower Price of BTC = Lower Estimate**

If the price of BTC used in the calculation were based on the higher prices of BTC at the time the crypto was earned, the resulting estimated earnings would be proportionately higher.

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[Footnote continuing from page 17] ...on the earnings of five miners that were sometimes offline, so were not in full operation, and 2) the earnings estimate is spread out over what's probably more time than the time period in which the actual earnings took place, and 3) I converted the value of the actual earnings to USD from the current price of BTC, which is on the low end of the BTC price range during an apparent bear market, and 4) the higher earnings-capacity of my two higher-capacity Alpha 200s, which would each produce more earnings than each of the S9s can, isn't figured in to the estimate. For these and other possible reasons, it might be necessary to revise these estimates as further information about GigaWatt becomes available in the bankruptcy process.

## TOTAL AMOUNT DUE

Table 6 shows the minimum total amount of GigaWatt's debt to me as of January 27, 2019.

Item	USD Amount
(Amount paid for miners and tokens minus current value of earnings) <b>Principal</b>	134,757.94
Additional Charges: <b>Interest on principal</b>	3,212.04
Additional Charges: <b>Undelivered earnings from pre-paid lease</b>	1,883,296.87
Additional Charges: <b>Undelivered earnings from 17 miners</b>	51,786.32
<b>Total</b>	<b>2,073,053.17</b>

**Table 6. Total Amount Due as of January 26, 2019**

## OTHER INFORMATION

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### APPARENT CRIMES

Crimes GigaWatt appears to have committed include:

- Misrepresentation,
- False advertising,
- Actual fraud,
- Constructive fraud,
- Accounting fraud,
- Negligence,
- Gross negligence,
- Embezzlement, and
- Other serious crimes.

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### HOW GIGAWATT PREVENTED MOVING MY MINERS ELSEWHERE PRIOR TO LOCKOUT

The estimate provided in this document of the amounts due does not include my losses from the 17 miners that could have been in productive use elsewhere during the time they've been sitting at GigaWatt doing nothing.

The lockout was not announced until after it had already happened. There was no advance warning. Did GigaWatt know of no indication that this could happen in days and weeks before it did?

Some time in November 2018, GigaWatt put a KYC PENDING notice on my account.

At about the same time, they said that KYC had to be complete before they would let customers ship out their miners.

I didn't know of an alternative to GigaWatt for my miners until mid-December, 2018, at which time I started communication with TeslaWatt to have my miners shipped there.

But I couldn't ship them because of the KYC PENDING setting GigaWatt put on my account.

I had started my effort to get KYC-verified on or before December 3, 2018, when I wrote to GigaWatt for instructions.

**But a problem in GigaWatt's system prevented me from getting the KYC clearance done.**

**I notified GigaWatt of the problem** on December 5. Andrey replied on December 5 and 6 by asking me questions that were unrelated to, and didn't solve, the problem.

By December 18, the problem still had not been solved. I sent them a message on December 18 to let them know the same problem was still there. I don't have a reply to this message if they sent one, but I don't think they did.

My subsequent email messages show that GigaWatt continued to keep my KYC verification status in "pending," even for several days after I notified them that Sum and Substance, the company that handles GigaWatt's KYC clearances, had let me know that my KYC status with GigaWatt was already clear. This was probably before but no later than December 21.

No later than December 22, 2018, I notified GigaWatt that Sum and Substance informed me that my KYC status was clear, and in the same message I notified GigaWatt that my GigaWatt account continued to say the my KYC Verification Status was pending.

I corresponded with Sum and Substance several times, and they kept telling me my KYC status was already clear. My messages show that Sum and Substance checked three separate times, but the KYC PENDING setting on my GigaWatt account wasn't adjusted. Sum and Substance told me to contact GigaWatt to have the problem fixed, which I had already been doing.

Some time in early January -- about a full month after my first message to GigaWatt letting them know about the problem in their system that was preventing me from completing the KYC so I could receive my miners -- GigaWatt finally removed the KYC PENDING setting from my account.

In the meantime, I was able to find out what steps I needed to take to get my miners to TeslaWatt. On January 11, by email, I told GigaWatt to prepare my miners for shipping.

All this time I had no idea that my miners could get locked up.

So it was quite a surprise when, on January 15, I received an email from GigaWatt that said miners are all locked up and I now can't get my miners out of there.

With every passing day, my miners become less competitive in the work of solving the puzzles that result in crypto rewards and they'll soon be obsolete. And GigaWatt prevented me from getting them so I can put them to use elsewhere by keeping a KYC Pending notice on my account long after Sum and Substance had cleared me.

If GigaWatt had not set my KYC status to PENDING, and had not left unsolved for so long the problem that prevented me from completing the steps for KYC clearance, I would have



been able to move my miners to TeslaWatt in early December, and they would have been put to work soon after arriving there.

Twelve of the 17 miners I purchased from GigaWatt were never put into use for credit to my account. (I don't know if they were put into use for credit to an account other than mine.)

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## **"YOUR MINERS ARE OFFLINE" NOTICES**

Only five of my 17 miners were put into operation. These five S9 miners went into operation on November 17, 2017.

For the five operating miners, I received at least ten notices that "...workers in your account are offline." Subject heading "Giga Watt: Problem with some workers". (Where they say "workers," they mean "miners.")

I didn't receive automatic notices when the miners were back online. I had to write to ask.

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### **List of Offline Notices**

20180111 - 3 miners are offline notice  
20180111 - 1 miner is offline notice  
20180121 - 3 miners are offline notice  
20180315 - 1 miner is offline notice  
20180315 - 4 miners are offline notice  
20180322 1:09 pm- received a reply to my inquiry about status; so miners were down at least from 20180315 to 20180322.  
Inquired again on 20180324.  
On 20180327, received a reply that four of the miners were "back up and hashing."  
20180404 - 3 miners are offline notice  
20180404 - 1 miner is offline notice  
20180518 - 2 miners are offline notice  
20180518 - 3 miners are offline notice  
20181220 - 5 miners are offline notice

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## **QUESTION ABOUT NEGATIVE BALANCE ON S9 MINERS**

**Is it possible for five robust S9 miners to go from steady positive balances for several months to negative balances when miners that are identical had no such change?**

*On Thursday, October 25, 2018 10:04 PM, GigaWatt <no-reply@giga-watt.com> wrote:  
Unprofitable mining.*

Hello,

Your miner(s) are currently utilizing more hosting fees than rewards earned over the past 24 hours. If you would like to shut off your equipment please follow the link that is attached <https://giga-watt.com/hardware>

Questions? Contact us

I read posts and communicated with people online whose S9 miners at GigaWatt, which are the same as the ones I have at GigaWatt, and should be configured exactly as mine are, who said they owned S9s and that they were not "utilizing more hosting fees than rewards" but rather were generating more rewards than hosting fees.

I also read that the kind of miners that don't generate enough rewards to cover the hosting fee are called L3s and D3s. I don't own any miners of either of those brands. I purchased only the more powerful S9s and Alphas.

I let GigaWatt know that I had read and communicated with GigaWatt customers during this same time period who own S9 miners that are identical to mine and who reported that their S9 miners were generating rewards that are higher than the amount of fees, similar to amounts they earned over the past year.

I sent GigaWatt the following message on December 24, 2018.

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On Monday, December 24, 2018 10:38 PM, Clementine49 <clementine49@protonmail.com> wrote:

Dear Andrey and Giga-Watt,

I would have written the following message to you earlier but I'm waiting for you to update on the Giga-Watt side that Sum and Substance has cleared my KYC status with you. They completed this a few days ago, but my Giga-Watt account still says KYC is pending.

**UNPOWERED MINERS:**

I think the reason you un-powered my miners (as reported in your message to me below) is because you also reported to me that the hosting fees exceeded the mining rewards.

**IDENTICAL S9s NOT NEGATIVE OR DISCONNECTED**

I should let you know that I know Giga-Watt customers who own S9 miners that are identical to mine and they say these S9 miners are generating rewards that are higher than the amount of fees, similar to amounts earned over the past year. They didn't receive any "negative balance" notices, and their miners are still working with a positive balance.

**BTC IN MY GIGA-WATT WALLET HAS ALWAYS BEEN MORE THAN NEGATIVE AMOUNT**

Also, would like to let you know that the amount of BTC shown for the last 30 days on the front page of my account says BTC is -0.0007. But when I look at the BTC balance on the wallet page, it shows +0.00532206 BTC. So there's been more BTC in my BTC wallet than the amount of BTC that the main page says is owed to you during the time in which you un-powered my miners. (Not to mention that S9 miners are generating rewards for your other S9-miner-owner customers and haven't been disconnected.)

COULD YOU PLEASE LET ME KNOW WHY...

According to what I've read, your procedure is to deduct BTC in customers' wallets to cover negative balances. Could you please let me know why you didn't do that in my case? Also, why you find my S9s reaching a negative balance while identical S9 miners don't?

I ADDED ADDITIONAL BTC TO MY GIGA-WATT WALLET – SHOULD BE MORE THAN ENOUGH

In case the reason you didn't just deduct BTC from my wallet for the negative balance is because you need more than the amount of BTC that was in my wallet (i.e. 0.00532288), I added 0.01467794 BTC to my Giga-Watt BTC wallet today. That, plus the 0.00532288 BTC already there, comes to a total of 0.02000082 now in my Giga-Watt BTC wallet. Is that enough to take care of the negative BTC balance so my miners can be restored?

SEND UPDATE/ANSWERS PLEASE

Andrey, I hope you understand your customers' justified frustrations with Giga-Watt. I regret that the enormous gratitude and loyalty I had for the Giga-Watt opportunity hasn't endured either. Many good people put so much trust and faith in you. I would welcome an honest problem-solving/brain-storming conversation with all of you about all this if it weren't too late. Maybe something like that could have prevented what is now happening, with lawsuits, bankruptcy, and opposition, from happening.

I look forward to receiving your reply.  
Annie

~~~~~

On January 7, 2019, I received a reply from Andrey Kuzenny of GigaWatt which doesn't address my question. His message said:

>Rewards depends from difficulty, hosting fee (depends from BTC rate).You can always check profitability of your miner here:  
<https://www.coinwarz.com/calculators/bitcoin-mining-calculator/?h=13500.00&p=1455.00&pc=0.06&pf=0.00&d=5618595848853.28000000&r=12.50000000&er=4114.90000000&hc=0.00>

>Please note that your BTC balance now : 0.02027222 , on the main dashboard page you can see only mining stats.

*If you want to continue mining while mining is negative, you should have positive BTC balance.*

>Regards,  
>Andrey

## EFFECT OF GIGAWATT PROBLEMS ON PRICE OF WTT TOKENS



Table 7. Chart of Drop in Resale Value of WTT to Virtually Zero<sup>5</sup>

<sup>5</sup> Source: [https://www.coingecko.com/en/price\\_charts/giga-watt-token/usd](https://www.coingecko.com/en/price_charts/giga-watt-token/usd) (Note, CoinMarketCap.com delisted WTT but still loads a page for the token that displays obsolete information.)

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## **GIGAWATT'S ADVERTISED DELIVERY DATES**

GigaWatt repeatedly promised delivery dates that were false. Screenshot 11 shows the delivery dates stated in their white paper. Many more false delivery dates were given later.

### **Projected Construction Timeline**

3 units, 2.25 MW are available right now

- July 15, 2017: 1 Giga Pod completed, 0.75 MW

- August 1, 2017: 2 Giga Pods completed, 2.4MW

- August 15, 2017: Expansion of the unit, 0.9 MW

- September 1, 2017: 3 Giga Pods completed, 4.5 MW

- September 15, 2017: 9 Giga Pods completed, 15 MW

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<sup>22</sup> Additional WTT tokens may be sold to the public in the future as the facility capacity is increased through build outs.

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134834324.1

**Screenshot 11. One Example of Advertised Delivery Dates - May 2017 White Paper**

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## **ADDITIONAL DOCUMENTATION IS AVAILABLE ON REQUEST**

Examples:

- ) Email correspondence.
- ) Additional information about GigaWatt's advertisements of products and services.
- ) Additional information about GigaWatt's promised delivery dates.
- ) Additional information about GigaWatt's other contractual obligations.
- ) Additional information about crypto-currency and crypto-mining.

April 8, 2019

Case Number: 2:2018bk03197

Debtor: GigaWatt

Creditor: Andrea Sharp

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) GigaWatt CSV files of transaction data. See “GigaWatt Records of Transactions” on page 28 for more information.

## **GIGAWATT RECORDS OF TRANSACTIONS**

I downloaded GigaWatt's records of my account data and converted it to .pdf format. Either format can be provided to the court.

But the .pdf of my account's BTC .csv earnings and fees data is 708 pages long.

The .pdfs of the other coins' earnings data are each over 200 pages long.

Because the .pdf files are so long, I didn't insert the CSV information into this proof-of-claim attachment document.

Because they're so long, I won't upload these .pdfs to the court's system when I upload the proof-of-claim form and this attachments document. But I will be happy to provide them at any time if requested.

The totals shown in the CSV files do match the All Time earnings shown in Screenshot 2 on page 2 and Table 5 on page 14 of this document.

The amounts reported in the CSV files were converted to USD at current market prices and **credited toward** the amount of debt in this claim.

(But the CSV files also list the hundreds of micro-earnings that the totals come from, and that's why they're so long.)